

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re: : Chapter 11
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NAVILLUS TILE, INC., DBA NAVILLUS : Case No. 17-13162 (SHL)
CONTRACTING :
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Debtor. :
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**ORDER (I) AUTHORIZING THE DEBTOR TO (A) MAKE PAYMENTS
TO ELIGIBLE EMPLOYEES UNDER THE PERFORMANCE BONUS
PROGRAM AND (B) CONTINUE THE PERFORMANCE BONUS PROGRAM
IN THE ORDINARY COURSE OF BUSINESS; (II) APPROVING THE KEY
EMPLOYEE INCENTIVE PROGRAM; AND (III) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)¹ of Navillus Tile, Inc, as debtor and debtor-in-possession in the above-captioned chapter 11 case (“Navillus” or the “Debtor”), pursuant to sections 105, 363 and 503 of chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 6004(h) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), for entry of an order (i) authorizing Navillus to (a) make payments to the Eligible Employees (defined herein) under its pre-petition performance incentive bonus program (the “Performance Bonus Program”) in the ordinary course of business for the prior periods including from April 1, 2016 through March 31, 2017 (the “Initial Incentive Period”) and (b) continue the Performance Bonus Program in the ordinary course of business for the period from April 1, 2017 through March 31, 2018 (the “Current Incentive Period”) and any subsequent Incentive Period (defined herein); (ii) approving a key employee incentive program (the “KEIP”) for the KEIP Participants for the Current Incentive Period and any subsequent Incentive Period; and (iii) granting related relief; and upon the *Order Scheduling Hearing on Shortened Notice* with respect

¹ Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

to the Motion (Dkt. No. 110); and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided; and it appearing that no other or further notice need be provided; and the relief being requested being in the best interests of Navillus and its estate and creditors; and the Court having reviewed the Motion and any documents submitted in support of the Motion and the objection of the Office of the United States Trustee (the “U.S. Trustee”) to the Motion (Dkt. No. 113) and having heard the statements in support of the relief requested therein at the hearing before the Court (the “Hearing”); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor; IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. Subject to the provisions of paragraph “3” of this Order; Navillus is hereby authorized to make payments to the Eligible Employees (other than those Eligible Employees who are Senior Management (as set forth on Schedule 7 to the Affidavit of Donal O’Sullivan Pursuant to Local Bankruptcy Rule 1007-2) or insiders of Navillus (as defined under 11 U.S.C. § 101(31)) or relatives thereof) under the Performance Bonus Program for the Initial Incentive Period in the ordinary course of business in the same manner that such payments have been made prior to the Petition Date.
3. With respect to the two (2) Eligible Employees whose proposed payments under the Performance Bonus Program for the Initial Incentive Period were subject to objection by the

U.S. Trustee on the record of the Hearing, Navillus is hereby authorized to make payments to such Eligible Employees provided that the U.S. Trustee consents to such payments upon receipt of additional evidence to be furnished by Navillus. In the event the U.S. Trustee does not consent to the proposed payments under the Performance Bonus Program to those two (2) Eligible Employees, the request for approval of proposed payments with respect to those Eligible Employees will be considered together with the balance of the Motion as set forth in paragraph “4” of this Order.

4. The balance of the Motion is hereby adjourned to January 24, 2018, at 2:00 p.m., and all rights of the Committee, the U.S. Trustee and certain funds of the International Union of Operating Engineers Local 14-14B, 15, 15A, 15C & 15-D, AFL-CIO with respect to the balance of the relief sought by the Motion are hereby reserved.

5. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this order shall be immediately effective upon its entry.

6. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: December 21, 2017
New York, New York

/s/ Sean H. Lane
HONORABLE SEAN H. LANE
UNITED STATES BANKRUPTCY JUDGE